

File Armed Services

SUGGESTED ITEMS FOR MR. VINSON

1/9/57

1. Hope he will re-activate subcommittee this year. Note in passing that by January 7th, thirteen bills had been introduced in the House on Joint Committees, including two by members of Armed Services Committee - Miller (D) of California and Price (D) of Illinois. (TAB. A)
 2. General picture of events in Near East and Hungary. Mention Radio Free Europe.
 3. Report on Executive Pay Raises (TAB B)
 4. Report on general budget plans (TAB C)
 5. Report on building status (TAB D)
- If needed -
6. Personnel statistics (TAB E)

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SUMMARY OF EXECUTIVE PAY

1. On 10 August 1956 the Director sent a letter to Chairman Vinson informing him that, with the passage of the Executive Pay Bill, the Director was consulting with the White House and the Bureau of the Budget with a view to putting into effect a pay increase which would affect [] senior officers of the Agency in Headquarters and [] in the field. The Director indicated he would report fully on this when they next met.

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2. On 20 August 1956 Smart, Chief Counsel of the Committee, called Houston regarding legal basis for decision to raise salaries above the Classified Civil Service. Houston explained that we were exempted from the Classified Civil Service and that the authorities in Section 10 of the CIA Act of 1949 gave the Director authority to set employees salaries as he saw fit. Smart was satisfied by the legal explanation and added that he saw no objection to the action proposed in the letter to Vinson.

3. On 17 August 1956 the Director approved the establishment of three salaries in Category I (\$20,000) and thirteen salaries in Category II (\$18,000 to \$19,000). Although not yet approved by the Director, and subject to further discussions with the Budget Bureau, a Category III (\$17,000 to \$18,000) is being considered which may affect nineteen

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